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**FINANCING THE NON-GOVERNMENTAL SECTOR IN TIMES OF CRISIS**

**ABSTRACT**

of a dissertation for the acquisition of the educational and scientific degree of doctor

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The dissertation has a volume of 161 pages and 1 page appendix. It is structured in an introduction, an exposition in three chapters, a conclusion, references and 1 appendix. 27 figures and 18 tables are presented. The list of information sources includes 104 sources in Bulgarian and English.

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# **I. GENERAL CHARACTERISTICS OF THE DISSERTATION**

## **Relevance of the problem**

*The relevance of the research* in the current dissertation is argued by the presented rationale. On the one hand, the role of non-governmental organizations for the development of society and international development is emphasized, and on the other hand, the importance of their financing in conditions of financial and other crises is emphasized. This must be the basis for their sustainability, which determines their development, the efficient and optimal performance of their activities. Crises are becoming more complex, as well as different crises might overlap. In such situations, the role of non-governmental organizations as a provider of solutions in key areas where the private and public sector is unable to provide solutions. On the other hand, during crises funding decreases and this is a challenge to the sustainability of NGOs. The role of non-governmental organizations and their resilience during crises has not been sufficiently explored by science. The paradox related to the increasing need for non-governmental organizations during crises, while in the same situation their financing may be difficult, outlines the relevance and significance of the study, placing emphasis on the practices related to their resilience during crises.

*The main thesis* of the development is that there are opportunities for the financing of non-governmental organizations during financial and economic crises, which would lead to the development and validation of the organizations as a partner and contractor.

In crisis conditions, the role of non-governmental organizations becomes increasingly important and significant, but at the same time funding may be difficult or insufficient due to difficulties related to funding sources. This is both a problem and a contradiction that can be overcome with diversification of funding sources and good financial planning. Diversification of funding can be done in an approach based on the roles of NGOs as catalysts, implementers and partners.

## *The main hypotheses :*

1. The economic and financial theory that explains the functioning and role of the non-governmental sector is evolving, with the crises of the last twenty years providing an opportunity for the development of theory related to non-governmental organizations.

2. The financing mechanisms of non-governmental organizations are directly related to their specificity, degree of development, sustainability and optimal realization of the activity, as well as the overall environment where their activities are implemented. During crises, some mechanisms may lead to increased funding, while funding through other mechanisms may decrease, depending on the crisis itself.
3. Funding for non-governmental organizations in crisis situations is an opportunity for the organization to be established as a proven and reliable partner to provide a response to needs arising from the crisis itself, where the public and private sectors cannot provide solutions
4. There are various internal and external factors on which the financial sustainability of organizations depends, related to the demand and supply of financing. Various factors determine the cyclical and procyclical nature of financing. On the one hand, donors have more funds and can similarly provide more funds to NGOs in good times of the economic cycle, and on the other hand, NGOs need more funding in times of crisis and this can be provided by donors as means of dealing with the crisis.
5. It is necessary to propose optimizations in the financing mechanisms of non-governmental organizations, as well as innovations applicable in normal conditions both for a more optimal performance of the activity and for the stability of the organization during financial and economic crises. This hypothesis is tested by examining the possibilities of applying already existing methods of adaptation and transformation based on the agile transformation, which have been tested and used successfully in other areas.

## **II. DISERTATION OUTLINE**

### **1. FIRST CHAPTER. ESSENCE, EMERGENCE AND SPECIFICITY OF NON-GOVERNMENTAL ORGANIZATIONS AND THEIR FINANCING**

The first chapter reviews the theoretical basis, the essence and characteristics of non-governmental organizations, the historical stages of the development of the non-governmental sector around the world and in Bulgaria, the process of the organization's formation, as well as the legal basis for their existence are traced. The essence of non-governmental organizations is outlined in relation to their types, specifics, and functions. Advocacy and operational functions of non-governmental organizations in society are also reviewed.

### **1.1. Emergence and development of non-governmental organizations and the non-profit sector**

There is no unequivocal position about when, in what way and for what reason in the history of mankind, non-governmental organizations arose. Although non-governmental organizations in the form in which they are known today are perceived as a phenomenon of the last century, for formations similar in philosophy and functions organizations it can be argued that they existed even before the new era.

The non-governmental sector and the organizations that are part of it arise in those sectors where the government or the private sector cannot provide a solution or meet the needs. This can be for a variety of reasons, ranging from reluctance and lack of interest to impossibility. Non-governmental organizations work in areas where countries, their governments and the private sector, fail and cannot adequately respond to problems such as poverty, environmental pollution, access to education, humanitarian action and many others. Globalization is also a factor in the imposition and development of NGOs, as governments and the private sector are often unable to provide a response to emerging circumstances.

The historical stages in the development of the non-governmental sector and non-governmental organizations are strongly linked to the significant events in the history of mankind and the changes they bring about. The first historical stage of the development of NGOs from the birth of such structures to 1914 was marked by a number of significant historical events such as the emergence of the bourgeoisie and the Enlightenment, the first industrial revolution, the growing contacts between the East and the West. The second stage of development of non-governmental organizations was marked by the beginning of the First World War and relations between states. The third period of development of the non-governmental sector is related to the historical events covering the end of the Second World War and the establishment of the United Nations, the Cold War and the decolonization of Africa, the emergence of the Internet, globalization, technological development, etc.

Modern times are the period in which NGOs are once again in a process of transformation related to globalization, the Internet, economic development and economic variables, the emergence of cryptocurrencies and blockchain technologies, artificial intelligence technologies, crises and other factors of modern times that simultaneously bring both opportunities as well as risks for the development of organizations and the sector.

At the world level, the use of the term "non-governmental organizations" dates back to the founding of the United Nations in 1945. At the European level, in the legal framework of the Council of Europe, the existence of non-governmental organizations is enshrined in Art. 11 of the Convention for the Protection of Human Rights and Fundamental Freedoms. In the European Union, the existence of non-governmental organizations is enshrined in the Charter of Fundamental Rights of the European Union. At the national level, individual countries determine the terms and conditions for the establishment and functioning of non-governmental organizations in their national legislation. Bulgarian legislation related to the existence of non-governmental organizations has been amended several times in order to provide an adequate basis for the functioning of the organizations.

The NGO sector as it is known today has a short history that begins with the transition from communism to democracy. During the period of democratic changes, the first non-governmental organizations as we know them today appeared. It is these formations that have a significant role in the process of democratic transformation. The second period of development of the non-governmental sector in Bulgaria is related to the legislative changes in 2000 and the creation of a more favorable framework for non-governmental organizations through the adoption of the Law on Non-Profit Legal Entities and tax benefits for these organizations. The third period of development of the non-governmental sector in Bulgaria is connected with the accession of Bulgaria to the European Union. The favorable environment for the development of the sector is created in several main directions. Bulgaria's membership in EU enables access to funding for organizations from EU sources and funds.

## **1.2. Nature of non-governmental organizations and the third sector and specifics of its financing**

As a subject of the Law on non-profit legal entities, non-governmental organizations in Bulgaria are of two types: associations and foundations. Non-governmental organizations can also be classified depending on the way they are created. Another criterion for classifying non-governmental organizations is their values and goals, which define their sphere of activity. Practice has also imposed another classification of non-governmental organizations - according to geographical scope. According to this criteria, they can be local, national and international organizations.

Funding of non-governmental organizations is a process of providing funds to achieve the goals of the organization, according to its mission and vision. In the non-profit sector, the

goals of the organization are strongly linked to its funding and are determined even when it is founded. A significant part of the factors that shape organizational culture and values are already in place when the organization is created and before funding is received. This is a significant difference with entities from the private sector, where the initial goal is to generate profit, and the sub-goals are oriented indirectly or directly to its maximization

In terms of funding sources, whether the organization is for private benefit or public benefit is often a significant factor. In this way, organizations that aim to absorb funds from public sources, usually aimed at socially significant activities such as health care or education, a requirement may be that the relevant organizations be of public benefit, while private benefit organizations may target private sources of funding.

Although NGOs receive funding from external sources, they are independent from them, and funding only applies to agreed activities and expected results. It is this independence of non-governmental organizations that confirms the fourth sector as important for the development of civil society.

Organizational development and management processes in the non-governmental sector are a factor for attracting funding, especially for developing the capacity for project development, but also for achieving transparency, accountability, monitoring and evaluation of the achieved results. In this context, measures for the resilience and adaptability of the organization during financial and economic crises must be embedded in the organizational development of the organization with a view to ensuring that funding is also unimpeded.

### **1.3. Role of non-governmental organizations for the society**

The role of non-governmental organizations as contractors, catalysts and partners has a synergistic effect and complementarity to achieve an effective impact in the various spheres in which they operate. This effect of their role is visible both in the usual operational context and of particular importance in times of crisis. Their role as implementers, catalysts and partners makes them an effective alternative to existing mechanisms for dealing with crises and their consequences.

NGOs may have advocacy or operational functions. The functions of advocacy organizations are focused on legislative change and lobbying, while the functions of operational organizations are focused on providing support and services. There are also hybrid NGOs, which combine advocacy and operational functions at the same time, and through this synergistic approach

their impact is maximized. The operational role of non-governmental organizations is related to activities of providing products or services to target groups. Central to the operational role of NGOs is their ability to mobilize resources optimally, which is often a difficulty for the private or public sector. In this direction, non-governmental organizations can be considered as alternative providers of products and services, and this role is particularly visible in difficult and complex situations and crises.

Funding sources for advocacy, operational or hybrid organizations depend on the policies of the funding organization (donor) and its mandate. Practice shows that some donor organizations and programs can fund NGOs to carry out advocacy and operational activities, while other donors stick to funding only one type of activity. In cases where the funding organization only provides funding for one type of activity, hybrid NGOs can use another source of funding for the other type of activity, thus making the two activities complementary.

## **2. SECOND CHAPTER. MECHANISMS FOR NON-GOVERNMENTAL ORGANIZATIONS FUNDING**

The second chapter examines the nature and functions of the processes related to the financing of non-governmental organizations, outlines the sources, mechanisms and trends related to the financing of non-governmental organizations at the local, national, European and global level. The processes of financing planning and corporate governance of organizations are examined as a condition for financial sustainability. Focus is also placed on new approaches, models and trends for the financing of the non-governmental sector.

### **2.1. Nature and functions of financing in non-governmental organizations**

Financing, as the basis on which budgeting and all other related processes are carried out, is a central part of high, middle and low management levels in organizations for optimal implementation of activities and maximization of results.

Funding of non-governmental organizations, as a subject and object of activity, can be classified according to its purpose (funding for humanitarian actions, scientific research, etc.), according to the funding/donor organization (international organization, government, private sector, etc.), according to the financing method (grant financing, crowdfunding, through economic activity, etc.), according to the financing mechanism (directly from the donor, through an intermediary organization - operator or in another way). These criteria and the classifications based on them



form the funding models of the non-governmental organizations, which is the basis for the budgeting of the activities and the planning of the expected results.

The lack of a unified research approach to financing as an understanding of its essence necessitates its perception as a process of providing a financial resource. Financing, as a subject and object of research activity, does not have a specific focus on specific components of financial management such as budgeting, accounting, and reporting; rather, they are seen as factors interrelated with funding, together with other specifics such as environmental factors and rapidly changing trends. The impact of environmental factors on the financing of organizations can be traced both in the short term and in the long term, compared to the development and sustainability of the organization. Financing is considered as a process with its functions, causes, risks, opportunities, and measurement of its impact both on the development of the organization and on its activities and the resulting result.

The wide scope of financing, as a subject and object of research activity, requires it to be considered from different directions, as well as the factors for the dynamics of changes in trends for its development. There are a number of factors that determine the rapid development of trends related to financing, both in the non-governmental sector and in the public and private sectors. One such factor in the non-governmental sector is, for example, that funding organizations (donors) are increasingly adopting a results-based management approach and results-based financing linked to decision-making about the most effective way in which funds are spent.

The development of information and communication technologies is another factor that determines the rapid development of financing trends, including in conditions of financial and economic crises. Through them, they can expand the circle of interested parties and reach new audiences, increase their accountability, optimize their costs, and even use blockchain technologies and digital currencies.

The development of non-governmental organizations is simultaneously driven by an internal cycle tied to the problems to which they provide a solution, the influence of the external environment is also of extreme importance. The external environment has a significant impact on the financing of non-governmental organizations in two main directions: the overall economic environment and the priorities of the financing organizations together with the mechanisms by which it is provided as well as the legal framework. General economic conditions at the global, regional, national, or local level can have a direct impact on the

availability of financial resources for NGOs. Economic downturns, recessions or financial-economic crises can lead to insufficient funding. Thus, favorable economic conditions and financial stability can create a favorable environment for increased financing and resource availability.

The overall financial environment, as well as the priorities of the funders, creates an environment in which non-governmental organizations compete for funding, since the organizations mainly work on a project basis. It is in this way that financing becomes the main determinant of their development and the development of the sector.

Relevant to the financing of non-governmental organizations, as an object and subject of research, is its life cycle, like the financing of private sector economic entities. Funding has a start-up stage (the organization is newly created or starts a new activity in a completely new direction), a growth stage (the organization begins to develop and carry out activities), a maturity stage (the organization has a stable position and sustainable funding), and a decline stage (the role of the organization or activity diminishes).

The practice in the non-profit sector shows that the development of an organization largely depends on funding and its sustainability, and it is directly related to the definition of its mission and vision. Defining the mission and vision of the organization is a complex, complex and sometimes long process, which is a major part of the drafting of the organization's statutes. One of the most important moments in drawing up the organization's statutes is the definition of its strategic goals, as well as the ways and approaches to achieve them. For the proper development and sustainability of the organization, goal setting must precede funding. For this reason, when providing funding, funding organizations (donors) should pay attention to the mission and vision of the organizations.

## **2.2. Sources and mechanisms for financing non-governmental organizations**

In practice, the most common mechanism for financing non-governmental organizations is through projects. Organizations develop projects, either individually or in consortia, and when funding is approved, receive funds to carry out the project activities and achieve the expected results. The objectives of the organization, as well as its type (operational or advocacy), determine what projects it will carry out. Funding organizations (donors) that provide funds for the implementation of projects can be different - private and public; local, national, regional, European as well as international. It is this diversity of financing organizations that determines several specifics of the mechanisms for financing non-governmental organizations through

projects. These specifics are related both to the administrative-organizational processes of the donor organizations and to their mandate, mission, and vision.

The financing of non-governmental organizations at the local level by the municipalities is the result of the understanding that the organizations improve the environment at the local level, provide solutions and opportunities for development based on citizen participation. Municipal funds for financing non-governmental organizations are provided by municipal budgets. Project funding is aimed at providing a response to a specific challenge, while overall activity funding is concerned with providing comprehensive and comprehensive measures.

State funding is funds provided by the state budget. Funding provided at country level can be funds that are provided by operational programs where the source of funds can be the EU or another international body. It examines state funding and state-level funding in the context of its provision from the central budget or operational programs at national level. State funding of non-governmental organizations is directly related to the established relationship between the state and the non-governmental sector, as well as the overall policies for the development of civil society.

Direct state funding can be provided to nationally represented organizations that are of strategic importance to the state. It is carried out with budgetary subsidies from the central budget. This mechanism provides sustainable financing precisely because of the strategic importance of the relevant organization for the state. Funding of non-governmental organizations by the state through projects is carried out under an established mechanism, in which goals and desired results are announced and non-governmental organizations apply. This mechanism is also called grant funding. The mechanism creates a prerequisite for competition between non-governmental organizations. Funding through projects is linked to the achievement of results, which is why greater accountability is needed. Grant funding is not awarded for a specific project or specific objectives. The financing of non-governmental organizations by the state through delegation of the provision of services or public procurement is carried out by conducting a competition or public procurement. In this case, the funding organization (donor) must have a specific and precise vision of the service that the NGO must perform.

Public sources of funding for non-governmental organizations at the international level are both international organizations (such as the Jewish Union, the Council of Europe, the United Nations, and others with their respective structures) and independent countries with their

respective bodies and institutions. The organizational and principled differences of these institutions determine the differences in the mechanisms and access to financing that they offer.

EU member states and at the international level. Funding is provided across a wide range of areas, including social inclusion, gender equality and equal opportunities, culture and media, promoting citizenship and civic participation, research and innovation, international development and humanitarian aid, transport, energy and information-

International organizations and UN agencies are another public source of funding for NGO activities that have a central place. Non-governmental organizations are key partners of UN agencies, and it is through funding that partnership relationships are established that lead to more comprehensive and sustainable results.

Another public source of funding for non-governmental organizations is funds and programs of other countries. Such financing is largely related to the foreign policy of the state, aimed at building stable relations with other countries, by providing development support, humanitarian aid, solutions to social, economic, and environmental issues, etc. The difference between the sources of financing determines the difference in the approaches and mechanisms by which it is implemented. It largely depends on the policy, priorities and set strategic goals of the funding/donor country.

Private funding is a very common source among NGOs. This type of financing organizations (donors) includes entities from the private sector, as well as other organizations, which are mostly foundations. The specificity of the financing of non-governmental organizations from the private sector is determined by the fact that, unlike public financing, accountability to the public for the funded programs, measures and projects is not strictly formalized. Private sector entities determine how to distribute funding not only according to their mission, vision, but often also because of corporate social responsibility itself.

Fundraising is another approach that NGOs widely use. In practice, donations can be both material and in the form of financial means through which the organization finances a specific project or its overall activity. Donations can be raised through thematic campaigns (usually they are in the direction of a specific goal of the organization) as well as without thematic campaigns (so they are related to the overall mission and vision of the organization). In both cases, the organization's reputation as well as its accountability are central to grant funding. Donors can choose to make a one-time donation as well as regularly.

Funding through donations also includes several new approaches, such as crowdfunding, as a collective fundraising method. Crowdfunding, also called crowdfunding, is the collection of funds from many people who donate small amounts for the realization of a certain idea or project of the organization.

Another source of funding for non-governmental organizations is through membership fees. This type of financing is observed when it has limited possibilities of financing from other sources. The membership fee represents a regular source of income to ensure the constant expenses of the organization necessary for its existence.

Another source of funding for non-governmental organizations is through their business activities. There are two main requirements for the economic activity of NGOs, which distinguish organizations from companies - additionality and "binding". The Law on non-profit legal entities allows organizations to carry out economic activity if the activity is related to the subject of the main activity for which they are registered, and they use the income to achieve the goals of the organization provided for in its statute.

Bank loans to NGOs are not a commonly used source of alternative financing, although access to other sources of financing may depend on it. In the case of bank loans, interest and other costs cannot be secured because they cannot be accepted as eligible costs by the financing organization (donor). NGOs do not have the funds to cover them, unlike the private sector where companies could cover them with a portion of the profit. Non-governmental organizations have relatively low creditworthiness and do not have significant assets to serve as collateral for the loan. Banks provide loans to non-governmental organizations, but under the same terms and conditions as to private sector entities, although their functions and objectives are very different. Preferential conditions for loans to non-governmental organizations are not offered in most cases.

Investments can also be seen as an alternative source of funding for NGOs as well as a means of asset protection. Investing by NGOs requires specific external and internal conditions to be a reliable sustainable financing approach.

Innovative funding models have the potential to provide solutions to issues for which this has not been sufficient to date. For this reason, innovative financing is gaining popularity especially among non-governmental organizations in the field of international development under the acronym IF4D.

Innovative financing builds an infrastructure with new approaches and tools through which it takes place. Funding characteristics of non-governmental organizations, which is strictly tied to the activities performed and the results achieved, leads to a tendency for funding organizations to acquire the qualities of investors. Because of this, impact investments have gained popularity in recent years. Such an instrument is Development Impact Bonds (DIBs) as well as Social Impact Bonds (SIBs).

Dependence on donor funding represents a serious risk for NGOs of making their activities dependent on donors' priorities and turning them into micro-agencies for project implementation; it compromises their ability to react quickly to problems related to the original purpose of their creation (Tsenkov, Yalamov, Galev, Antonov, Encheva, 2010). It can be concluded that the dependence of the non-governmental sector on financing is a factor that determines the degree of its independence and development.

### **2.3. Planning of financing in non-governmental organizations**

The need for funding planning in non-governmental organizations is determined by three groups of factors: sources of funding, their specifics, requirements; the rapidly and dynamically changing social, economic, and political environment; the organization itself, its mission, functions, and organizational specifics.

Strategic planning sets the direction of the organization's long-term development, and it is precisely the clear definition of future goals that is the starting point for searching for sources of funding and is evidence for funding organizations about the long-term intentions of the organization seeking funding.

For funding planning, the lack of ability to predict the receipt of funds forces NGOs to use a more complex approach to it. Funding planning should provide an extended long-term analysis of funding sources and observed trends related to the development of requirements and mechanisms that the funding organization uses and the approaches of the funded organizations.

Legislative changes affecting the third sector can be classified as environmental factors, but they have a direct impact. Funding planning in NGOs, including in relation to strategic planning, should reflect the essential legislative requirements and changes, thus ensuring that it is not compromised, as well as ensuring certain standards between NGOs, funders/ the donor organizations.

From the point of view of the different sources of funding and their mechanisms, together with the goals, functions and activities of the organization, a distinction can be made between short-term and long-term funding planning, as an indicator of duration. To a large extent, long-term funding for organizations is an opportunity for more sustainable results and building on essential solutions, while short-term funding is used to provide a response to emerging needs and challenges.

The existence of a financial planning system in the organization is necessary regardless of the size and functions of the organization. The financial planning system must be implemented on a critical and realistic principle, and that is why it is a dynamic process that addresses both the development of the organization and the challenges in the unpredictable factors of the environment in which it operates, which makes it an often difficult process. In a crisis situation and the financial consequences caused by it, it is important that the management in a given organization is prepared with a financial planning system, through which the impact on the activities that the organization performs, its positioning in the third sector and in general can be analyzed.

#### **2.4. Management of non-governmental organizations and their financing**

The organizational structure of NGOs has a leading role in determining their governance, implementation, and reporting mechanisms. The corporate governance framework of non-governmental organizations outlines the organization's strategic leadership, control, monitoring, and accountability mechanisms. The corporate governance framework of non-governmental organizations outlines the organization's strategic leadership, control, monitoring, and accountability mechanisms. The principles of corporate governance are applicable to non-governmental organizations and are of particular importance due to their specificities and ways of financing. Corporate governance in non-governmental organizations is applicable to associations, as they themselves have a corporate structure. In the context of funding, this is relevant because the transformation from policies to specific program measures and projects may require changes in funding sources. The Management Board also supervises the financial and non-financial management - the transparency and accountability of the operational management, and these aspects are key for issues such as the prevention of financial abuses and for the planned activities to be carried out.

The integration of corporate governance in non-governmental organizations enables effective risk management, which is of strategic importance both for the sustainability of the organization

and for achieving the expected results and funding. Risk can be financial or non-financial, external or internal, and must be analyzed and managed in close cooperation between strategic management (board) and operational management (departmental management).

## **2.5. Innovative financing of non-governmental organizations**

Innovative financing builds an infrastructure with new approaches and tools through which this happens. The financing characteristic of non-governmental organizations, which is strictly tied to the activities performed and the results achieved, leads to the tendency for the financing organizations to acquire the qualities of investors.

In recent years, as an innovative approach to innovative financing of non-governmental organizations, impact investments have gained popularity. Such an instrument is Development Impact Bonds (DIBs <sup>1</sup>) as well as Social Impact Bonds (SIBs <sup>2</sup>). Impact investing is a complex process that involves a number of stakeholders at the local, regional, national or international level.

The integration of cryptocurrencies in the funding of non-governmental organizations can also be classified as innovative financing, although cryptocurrencies themselves are subject to significant criticism from various parties, including regulatory bodies such as central banks. Integrating cryptocurrencies into NGO funding can be in two directions: using existing cryptocurrencies or creating irreplaceable tokens. Integration of existing cryptocurrencies into the financing mechanisms of non-governmental organizations can be considered as a direction for the development of the sector's alternative financing.

## **3. CHAPTER THREE. FINANCING THE NON-GOVERNMENTAL SECTOR IN TIMES OF CRISIS – CHALLENGES AND OPPORTUNITIES**

### **3.1. Types of crises and their impact. Reaction of non-governmental organizations**

Several types of crises can have an impact on the non-governmental sector - both financial and economic, and others that can have an impact on the financial and economic environment. In addition, crises specific to the field of activity of NGOs can also have an impact.

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<sup>1</sup>From English *Development Impact Bonds (DIBs)* .

<sup>2</sup>From English *Social Impact Bonds (SIBs)* .



The crises specific to the activity that the non-governmental sector performs can also be an opportunity for the growth and development of the capacity of the organizations. Crisis specific to the field in which the organizations operate can lead to increased funding. This is possible when funding organizations provide funds to address the crisis.

Financial crises can be caused by different causes and factors and therefore can be of different types and forms. Financial crises can be divided into several types – banking crises, currency crises (related to the exchange rate), external debt crises, balance of payments crises, stock market crises (stock market crash). Financial crises affect all actors in the economy, and NGOs are no exception.

A global financial crisis affecting all actors in the economy is the global financial crisis of 2007-2008, which is defined as the worst since the Great Depression of 1929. The 2007-2008 crisis created a risk of collapse of financial institutions, which was prevented by the measures taken by the governments, but there was a collapse of the stock markets and a decrease in economic activity, leading to a global economic crisis and a debt crisis in the Eurozone. The situation affects all participants in the economy, including the non-governmental sector. Various studies show that the effect of the financial crisis on the financing of non-governmental organizations is visible not only in Europe and the USA, but also in the whole world. The impact of financial crises on the funding of NGOs working in such areas has not only a negative impact on the sector itself, but also an increased negative impact on the communities and target groups themselves, which cannot be provided with a comprehensive response to needs due to insufficient funding. In such a situation, there is also a risk for the already achieved impact, which, in turn, affects the planning of subsequent programs and projects.

The period of the global financial crisis and the subsequent debt crisis in Europe coincides with the period of the first years of Bulgaria's membership in the EU. These two aspects have an impact on the non-governmental sector - Bulgaria is also affected by the financial crisis and this has its impact on the participants in the economy. At the same time, the country is already a member of the EU and there are new opportunities for European funding, including for non-governmental organizations, and many of them during this period reorient themselves to the available sources from the EU. From the point of view of financing the non-governmental sector, due to Bulgaria's membership in the EU, during this period some of the previous sources of financing are no longer available.

Non-financial crises can take different forms and scopes. Most often they are related to natural or man-made disasters or other emergency situations and affect all spheres of activity. Affecting all spheres of activity, these crises have a strong impact on the economy and its actors, including NGOs. In the conditions of such crises, several non-governmental organizations have a significant role in providing a timely response to the situation and overcoming its consequences.

The response of different NGOs during such crises depends largely on their specificities, activities, and capacities, and this can be seen in several directions describing both challenges and opportunities. This, in turn, relates to their current and future funding. In terms of sustainability, in the context of such a crisis, an organization may be unable to continue to carry out its planned activities, which leads to the inability to achieve goals and results, and this represents a serious problem and threat to funding, as it is directly related to results. This, in turn, is related to the adaptability of organizations. In such a situation, they can adapt their activities and thus again achieve the expected results to protect the funding, but with redesigned activities and approaches. Such situations can also cause transformations in the internal functioning mechanisms of the organization, optimize processes, and this has an impact on funding. In terms of development, such crises also represent an opportunity for organizations to expand their activities to provide a response to emerging challenges and needs.

It is extremely important to note that in such situations, sustainability and adaptability do not only depend on the organizations themselves and the NGO sector, but also on the sources of funding and the funding country and how far they allow for the remodeling of activities and expected results, as well as the provision of additional funding, which would provide other resources needed to carry out activities in a similar context.

A similar non-financial crisis is the global COVID-19 pandemic that began in March 2020 and the subsequent measures by governments to contain it. The pandemic and the measures taken are having an impact on the economy in the short and long term. In the short term, the measures to contain the pandemic led to the suspension of the activities of various participants in the economy, and the activities of several non-governmental organizations were also affected. The measures taken to contain the pandemic have hindered the implementation of the organizations' projects, which influences their funding. Such crises can also create other problems, such as disrupted supply chains due to pandemic containment measures and accelerated consumption after measures are eased, as part of the factors driving inflation.

The unprecedented situation with the pandemic shows that financial crises are different in their origin and nature. They have a negative impact both in the short and long term. Participants in the economy, including non-governmental organizations, cannot operate and this leads to reduced economic activity, which has a corresponding impact on the public and private sectors as sources of funding for the non-governmental sector. Reduced economic activity, in turn, leads to lower revenues and profits in the private sector, which in turn leads to higher deficits in the public sector.

Regarding the activities carried out by both advocacy and operational and hybrid NGOs, much of their activities were postponed, canceled and, where possible, adapted to take place in a virtual environment. Other activities continued to be carried out in a similar way as they were carried out before the pandemic, but additional protective equipment had to be provided, which required additional funds.

Non-financial crises such as unforeseen events can be, for example, natural or man-made disasters that also affect the technical aspects of NGO funding. This can happen in the event of a damaged or non-functioning banking infrastructure, for example due to a power outage, due to a disaster situation (wars, floods, and earthquakes). In such a situation, it is impossible to transfer funds both from the funder to the NGO and from the NGO to its employees and suppliers. This leads to inability to absorb funding, inability to implement activities, and lack of achievement of results and goals. The inability to carry out financial operations further complicates the situation in which NGOs provide an often life-saving response.

Participants in each field of activity are state bodies and public institutions, international organizations, private sector, as well as non-governmental organizations. Different non-governmental organizations carry out activities in different spheres, and different spheres can be affected by crises specific to them. This again relates to the financing of non-governmental organizations in both directions - their sustainability and their development. In addition, over time, with field-specific crises and growing needs and available funding, organizations can expand their activities to the relevant field, as well as provoke the creation of new organizations. However, funding related to an emerging crisis cannot and should not be seen as sustainable funding. This requires organizations that arise or expand their activities in crisis conditions to strive for diversification of funding and search for new sources. From the perspective of additional funding, the possibility of expanding the activities of organizations from other fields and creating entirely new organizations is both an opportunity and a risk. This is an opportunity

to expand organizations and the sector, but also a risk of expanding and creating organizations without the necessary expertise, experience, and standards, which would potentially lead to low achievement of results and objectives, risk of financial and non-financial abuses leading to discrediting.

Another risk and challenge in funding NGO projects, programs, and activities in response to crises is that, by focusing solely or primarily on the current crisis, other programmes, projects and activities may be overlooked and this may lead to their unsuccessful or ineffective implementation. This, in turn, can lead to challenges to already achieved results. This is why targeted funding for crisis response must have mechanisms in place to outline the overall operational context and situation in which projects and programs are implemented.

A significant problem with these crises is that they can occur and escalate unpredictably, and in the initial and most critical stages of the crisis, organizations do not have sufficient funding to provide a response and secure their crisis response activities with available funding, as well as in many cases voluntary work. In this case, the technological time needed to change the agreed parameters and funding between the funding and funded non-governmental organization in existing programs and projects, as well as the opening of new procedures for recruiting projects and providing funding, is of utmost importance.

### 3.2. Flexible transformation of non-governmental organizations as an opportunity for resilience in crisis conditions

NGOs face a rapidly changing environment and transformation is required to remain effective and resilient to crises. This necessitates substantial and deep transformations both for individual non-governmental organizations and for the entire sector. It is a comprehensive process in which aspects of financing are present in all components.

Funding parties, including international organizations, government agencies and private foundations, are increasingly focused on results-oriented approaches and evidence-based solutions. They expect NGOs to demonstrate the impact of their work and be accountable for their results. This requires organizations to adopt new ways of measuring and reporting their impact, and to be more transparent and accountable in their operations.

NGOs, especially in crisis situations, are a proven partner, provider and catalyst for implementation, and this is why the funding available to them is increasing. In turn, increased funding leads to the emergence of more organizations, creating a more competitive environment. This requires them to be recognizable and demonstrate their unique value

proposition to attract and retain funding, which requires them to be innovative, flexible and adaptable to changing needs and demands, as well as resilient to crises of any nature.

The rapid pace of technological changes and digitization creates new opportunities for non-governmental organizations to optimize management processes, reach more communities, stakeholders and funding organizations. Therefore, NGOs must undertake Agile Transformation to be adaptable in their approaches to meet changing needs and continue to make a positive impact. As NGOs receive more funding and have greater impact, they face increased scrutiny and demands for accountability and transparency. Organizations must ensure they have strong governance structures, financial controls and risk management processes in place to meet these requirements.

The growing needs for flexibility in the NGO sector have led to a growing interest in the application of flexible methodologies. Agile transformation in NGOs has the potential to improve organizational effectiveness and adaptability while better executing programs, projects and activities, achieving goals and demonstrating results, and this has implications for funding. Driving NGO change focuses on prioritizing circumstances that can be controlled, for example transformation to an agile, data-driven organization – both financial and operational, digitalization, building trust and reputation both internally and externally.

This is particularly important in crisis situations or in contexts where traditional methods of results-based planning, management and financing may not be effective. Flexible methodologies also promote transparency and communication, which can improve collaboration and stakeholder engagement. This has a strategic role both for the relationship between the funding country and the funded organization, as well as for the funding country and other stakeholders to optimize the process of implementing activities and achieving results. Agile methodologies prioritize value delivery and encourage continuous improvement through regular retrospectives and past experiences. This can lead to cost optimization, while the results achieved have greater value.

However, it should be noted that agile transformation in NGOs is not without its challenges. Flexible methodologies may not be appropriate for all types of projects or programs and may not be applicable in every operational context. In addition, NGOs may face constraints such as limited resources, political instability, and cultural differences that can make it difficult to implement agile transformation. Despite these challenges, there is growing evidence of the benefits of agile transformation in NGOs. Organizations that have successfully adopted agile

methodologies report improvements in project execution, stakeholder engagement and overall impact. As the nonprofit sector continues to evolve and adapt to new challenges, it is likely that more NGOs will embrace agile transformation in the coming years. NGOs that can successfully adopt approaches based on agile methodologies will be better equipped to serve the needs of communities and stakeholders in an ever-changing world.

In crisis conditions, the weaknesses of organizations are exacerbated, and a potential solution to this vulnerability can be the application of agile methodologies. Agile methodologies are a set of principles and practices that prioritize flexibility and adaptability, continuous improvement, collaboration, and communications. This set of principles can be applied to the development of NGOs and their financing, as well as their resilience to crises. Flexible methodologies can also be applicable to funding organizations, which can lead to the modification of existing or the creation of entirely new funding mechanisms applicable in crisis or rapidly changing contexts. They are applicable to the transformation of both the processes in the organization in the direction of performing activities, and to the transformation of the organization itself, its structure, and processes. Such a transformation can be, for example, the decentralization and creation of local and regional structures of the organization, thus the organization can attract local or regional sources of funding.

Flexibility and adaptability are of strategic importance for organizations operating in a dynamic, uncertain environment, or in crisis conditions. This approach allows NGOs to respond quickly to changing needs and circumstances, which is crucial for organizations that rely on funding from external sources. Flexibility and adaptability can cause transformations of the organization's orientation towards funding organizations, and this can be accompanied by transformation and reform of the organization itself - for example, if the organization has been only advocacy or operational until now, it can be transformed into a hybrid one; if the organization has implemented programs, projects and activities centrally, the transformation may lead to the decentralization of both the activities and the structures of the organization. Flexibility is adaptive to the relationship with the funding organization, allowing the organization to adapt to the priorities of the funding parties without shifting the focus, and to provide timely and adequate solutions in the field in which it operates. Flexibility and adaptability must follow both the original goal setting in the organization and the planning of activities and results. In this way, the organization can link risks with the expected achievement of results, simultaneously managing risks and optimizing activities.

Continuous improvement, as another component of agile transformation, is essential for organizations to optimize programs, projects and activities and achieve their goals. This is done through continuous monitoring and evaluation using qualitative and quantitative indicators, identifying areas for improvement and making adjustments, both in the process of implementing existing and planning new programs and projects, and for long-term and strategic planning in non-governmental organizations. Continuous improvement, as a systematic approach of monitoring and evaluation, leads to higher transparency of the organization. This is of strategic importance due to the high demands of the funding organizations on the ways in which the funds are absorbed and the resources are used effectively to achieve the expected results. Continuous improvement also refers to the identification of risks and weaknesses at early stages that may be obstacles to the implementation of activities, which will have an impact on funding. Continuous improvement also refers to improving decision-making processes in the organization, as strongly related to funding mechanisms. In this way, systems and platforms can be introduced into the organization for continuous improvement, including monitoring and evaluation, risk logging, performance management.

Collaboration and communication are essential for organizations that rely on partnerships and networks. By using flexible methodologies, NGOs can foster better collaboration and communication with their funders, partners, and stakeholders. In this way, organizations can participate in the process of planning the programs of the sources of funding, participate in mechanisms for coordinating funding and activities, and demonstrate the achieved goals and results. Collaboration and communication are tools by which organizations can gain visibility and build reputation – both with funders and with the general public and the beneficiaries they serve.

Data and information management is another factor in agile transformation, referring both to internal data related to the processes in the organization and to external data related to the environment and sphere in which the organization operates. The collection and processing of data is also a way to forecast the operational and financial parameters for the implementation of activities, programs, and projects. This approach is also applicable in a crisis, as data collected from a previous crisis can be used for forecasting in conditions of another financial or non-financial crisis. In the context of NGO funding, data from the 2007-2008 financial crisis can be used to predict a future financial crisis; data from the pandemic crisis can be used to plan for future non-financial crises affecting all spheres of activity. Data collection, as an approach to predicting financial and operational parameters of activities, programs, and projects of non-

governmental organizations, can be applied not only in temporal direction, but also geographically. As an approach, this is most applicable to international non-governmental organizations that can collect and process data that can be used for planning in another similar context where the organization is starting to carry out activities for the first time.

Agile methodologies, such as Scrum and Kanban, were originally developed for software product development purposes, but have since come to be applied to a wide range of fields, including project management, product development, and service delivery. These methodologies can also be applied in the non-governmental sector.

The Scrum methodology is based on the agile principles of transparency, verification, and adaptation. It is designed to help teams respond to changing demands, prioritize their work, and deliver value in a timely manner. Scrum provides a framework for organizing and managing work, ensuring that everyone involved in the project is aligned and focused on achieving the best possible outcome. From a funding point of view, this is relevant both in traditional approaches where funding is only linked to the achievement of predetermined results, and in cases where funding is provided on the basis of benchmarking, where the performance of the organization is compared with other organizations in a similar context. In this way, competition is created for non-governmental organizations and the Scrum methodology can be a solution for transforming an organization to be more competitive, due to the fact that at the core of the ideology of the methodology is solving complex problems with the provision of a valuable product and service, as well as continuous improvement. The main metric in Scrum is speed, and this makes the method suitable for crisis response.

By adopting the principles of Scrum for the purposes of financing NGOs, the capacity to manage and predict risk, including financial risk, can be improved. In this way, it can be ensured that projects are implemented effectively, leading to the achievement of results and objectives against the logical framework of the project or program to meet the principles of results-based financing. Linking risk to outcome is essential to effective risk management because it provides a clear understanding of how risks may affect the project or the organization's goals. This information is critical to making informed decisions about risk mitigation strategies and efficient resource allocation. If a particular risk has a high probability of materialization and a strong impact on the outcome, the risk mitigation strategy may include implementing measures to reduce the likelihood of the risk occurring or to minimize the impact.



Scrum principles can improve the transparency and traceability of funding-related processes in NGOs by providing a framework for continuous communication between program and project implementation teams, funders, and other external stakeholders. This can help track the progress of project implementation and make informed decisions about funding, as well as react in the event of an emerging risk, as in a crisis the risks increase, and more effort is needed to their management and minimization.

Applying Scrum in NGOs can increase efficiency by prioritizing work processes and allocating resources more efficiently. One of the main challenges NGOs faces in managing resources and funding is the need to balance short-term and long-term goals. On the one hand, NGOs must ensure that they have sufficient funding to respond to needs and respond to emergencies, including crises. On the other hand, they must plan for the long-term sustainability of their activities, programs, and projects, which must be financially secured, and this requires adopting a strategic approach to resource management and funding. This requires NGOs to be flexible, adaptable, and responsive to changing circumstances, while being accountable and transparent in their operations.

Kanban is a flexible project management method that has been widely adopted in various sectors, including non-governmental organizations. Kanban can be seen as a visual tool that helps teams manage work and improve the flow of information and tasks. This makes it suitable for application in non-governmental organizations for the implementation of programs and projects, as well as for their financing. The methodology also implies the inclusion of feedback and experience. It is for this reason that Scrum can be seen as a more appropriate method of transformation in periods when NGO efforts are dealing with a crisis. Kanban is applicable both to the transformation of funded NGOs so that they can more effectively absorb funding in normal or crisis conditions, and to funding organizations to create more optimized funding of programs and projects leading to concrete results and impact.

Kanban can be used in a variety of situations, including crises, where projects can be complex and complex. The visual nature of Kanban makes it easy for teams to understand the status of tasks and projects, as well as the flow of work. In addition, Kanban facilitates the identification of weaknesses and risks, as well as the prioritization of tasks and the management of resources. From a financial perspective, Kanban's visual approach allows visualization of the financial flows in the process of performing the activities and the results that are achieved. This helps

monitor performance and impact indicators and builds on results-based funding and management.

Through Kaban, NGOs can include all stakeholders and participants in the funding planning process, including the funding organizations and the communities for which the organization implements programs and projects, thus improving planning and accountability in the three directions - communities, stakeholders and funding organizations.

### 1.3. An Empirical Study of the Adaptability of Non-Governmental Organizations in Times of Crisis

The survey covers the period June-December 2021. The survey provides a balance in the participation of foundations (43%) and associations (57%) to consider the financing of the non-governmental sector. Of the organizations surveyed, 5% are registered as non-profit organizations, while the remaining 95% are registered as public benefit organizations. Whether the organization is private, or public is a factor that reflects how these organizations raise and absorb funds, as well as what sources are available to them. The fact that 95% of the organizations surveyed were identified as public benefit organizations provides important information.

Of the surveyed organizations, 44% carry out economic activity, while the remaining 56% do not. Organizations that integrate business activity into their model can generate revenue from this activity, which gives them additional autonomy in managing their resources.

The leading group of organizations combining from 1 to 10 employees (60%). This reveals that many NGOs operate with smaller teams, and this may be due to several factors - including funding. Other organizations have larger numbers of employees, including those with 11-20, 21-30, 31-40, 41-50 employees (12%, 8%, 6% and 4% respectively). These organizations with larger teams tend to have a wider scope of activity and may be working on more complex and large-scale projects, which means they can absorb more funding.

Funding for NGOs can come from the European Union (EU) and private sources. EU funding supports large-scale projects and promotes international cooperation. The second most important source is private funding provided by private donors, foundations, and non-commercial partners. This type of funding provides flexibility to NGOs, but government funding is limited due to complex regulations and requirements.

According to the survey data, more than half of the surveyed organizations are members of international networks (51%). Also, a significant proportion of organizations participate in international consortia (26%). This type of collaboration allows NGOs to pool resources and expertise from different sources to work towards common goals and jointly absorb funds. A relatively small number of organizations have branches abroad (5%). However, the number of organizations that do not have international experience remains significant (15%) and this indicates that efforts are needed to develop the capacity of these organizations.

Fewer organizations say funding meets their needs to a great extent (38%). A greater percentage of organizations express that funding does not meet their needs to a low degree (46%). The neutral responses (16%) may reflect the lack of monitoring and evaluation of funding against the organization's functioning.

Most of the surveyed organizations (88%) state that there is a strong dependence between the results achieved by them and the subsequent funding. At the same time, a small number of organizations are neutral on this issue (12%). This aspect can be explained by the diversity of NGOs and their financial models.

A large part of the surveyed organizations (70%) indicate that they do not participate to a low degree in the discussion and planning of the funding organizations' programs. At the same time, there is a share of organizations (16%) that are highly involved in the discussion and planning of funding organizations' programs. Neutral responses (14%) may express rather a lack of interest in participating in funding planning of funding organizations.

According to the data, almost all surveyed organizations (98%) state that they believe that their functioning and activities can be affected by crises. Only a small part of the organizations (2%) state the opposite, i.e., consider their sustainability and functioning unaffected by crises.

According to the data, a large part of the surveyed organizations (84%) state that it is possible that their activities will be affected by crises specific to their field of activity. A minority of organizations (16%) state that they cannot be affected by crises specific to their field of activity.

According to the data, most surveyed organizations (62%) indicate that they do not have a crisis resilience plan that includes the organization's financing aspects. Against this background stands a smaller part of the organizations (38%) that have a strategy and action plan during crises, including the financing aspects.

According to the data, half of the surveyed organizations (50%) indicate that the possibility of restructuring their financing is low. Part of the organizations (35%) estimate that their financing can be restructured to a high degree in the event of a crisis.

According to the survey data, over half of the organizations surveyed (58%) stated that they are familiar with funding programs related to crisis response. Despite this positive aspect, there is also a significant number of organizations (42%) that are not aware of such funding programs.

According to the survey, most organizations surveyed (57%) stated that they are not currently implementing programs and projects aimed at dealing with a crisis. A significant proportion of organizations (43%) implement programs and projects aimed at dealing with a crisis.

Most surveyed organizations (70%) indicate that they have not expanded their activities in response to the crisis. There is also a significant number of organizations (30%) that have expanded their activities to provide a response to the crisis.

### **III . CONCLUSION**

The dissertation examines the financing of non-governmental organizations as an object of research, emphasizing its relationship with budgeting, goal setting and the organization's mission. There are different types of NGOs and different classification approaches. The individual specificity of the organization is important for its financing. The goals and mission of a non-governmental organization are defined upon its creation and are the basis for the financing of an organization. They are decisive for its development, as well as for its financing. It is for this reason that financing is strongly related to the achievement of results through the implementation of activities. This requires a high degree of accountability and the use of indicators.

Non-governmental organizations form the third sector. They have their specificity, expressed in the fact that the entities do not aim to generate profit, but to achieve higher goals. Funding is a necessity to ensure the activities to achieve these goals. The overall development of the third sector is determined by the access and financing possibilities of the organizations. For the most part, the financing of non-governmental organizations is provided by sources independent of them and is carried out through various mechanisms. Funding opportunities are determined by the mission, goals, and policies of the funding organization (donor).

Funding, sources, and funding organizations can be classified according to several criteria depending on the source and the level at which they are provided, and this is reflected in the specifics, and different approaches and funding mechanisms are applied. Various external factors related to the specifics and the social, economic and political context can have an impact on the financing of the organization.

For the sustainability of the organization, it is important that the use of different sources of funding, as well as the aspects of funding, are embedded in strategic and long-term planning. The financing of non-governmental organizations is a complex and multidimensional process that requires the use of systems for its planning. Funding planning is a central component in the strategic planning of NGOs. In the context of crises, the importance of non-governmental organizations increases, but at the same time their funding can be difficult or insufficient. An essential factor for the sustainability of non-governmental organizations in times of crisis is to diversify the sources of funding. Diversification should be embedded in funding planning, as well as in the organization's strategic planning, oriented toward the roles that NGOs play—catalysts, implementers, and partners.

In crisis conditions, the role of non-governmental organizations becomes increasingly important and significant, but at the same time funding may be difficult or insufficient due to difficulties related to funding sources. This is both a problem and a contradiction that can be overcome with diversification of funding sources and good financial planning. Diversification of funding can be done in an approach based on the roles of NGOs as catalysts, implementers and partners.

Corporate governance plays a key role in ensuring the financial sustainability of non-governmental organizations. Effective governance frameworks promote sound financial management, risk assessment and long-term strategic planning. NGOs with sound governance structures are more likely to establish sound financial practices, such as budgeting, financial controls, and risk management frameworks, that improve their ability to deal with crises. In addition, corporate governance facilitates the identification and mitigation of financial risks, allowing organizations to adapt to changing circumstances and align their financial strategies with the changing priorities of donors. This proactive approach to financial sustainability increases the likelihood of securing ongoing funding during periods of crisis, as donors are more willing to support organizations that demonstrate resilience and long-term viability.

Flexible transformation can be a method by which NGOs can respond quickly and effectively to changing needs during crisis situations. Agile principles, such as iterative planning, continuous feedback, and rapid decision-making, foster an environment that facilitates rapid adaptation and resource allocation. Flexible methodologies, such as Scrum or Kanban , allow NGOs to prioritize tasks, manage risks and allocate resources efficiently This adaptability and flexibility in resource allocation is particularly important during crisis periods, as NGOs must respond promptly to emerging needs. By demonstrating their ability to optimize the use of resources and adapt to changing circumstances. Agile transformation promotes financial sustainability in NGOs by promoting continuous improvement and efficiency. Agile methodologies emphasize transparency, collaboration and regular feedback loops that enable NGOs to identify and address inefficiencies and optimize resource use.

## **IV.CONTRIBUTIONS**

Based on the implementation of the research tasks and the verification of the hypotheses in the dissertation work, the following contributions of a scientific and applied nature can be deduced:

- 1) By analyzing the effect of crises on the financing of non-governmental organizations, the dependence associated with a decrease in financing for the non-governmental sector during crises is proven. This is argued by the author as a kind of paradox, since in these periods the need to fulfill the functions of these organizations is even higher.
- 2) The role of non-governmental organizations as partners, catalysts, and implementers in key areas - especially those where governments or the private sector cannot provide an answer - is argued, and the ways in which these organizations establish themselves as a proven partner of governments are explored.
- 3) It is motivated to consider the crises as an opportunity to increase the funding of the organization through the analysis of the specifics of the organization, the funding country and the crisis and the study of the interrelationships between them.
- 4) Recommendations have been made to increase the financial sustainability and optimal functioning of non-governmental organizations during crises, through specific proposals for the application of agile transformation methods.
- 5) It was established through an empirical study conducted among 50 non-governmental organizations that their functions, activities, goals, and sustainability of the achieved results are highly vulnerable to crises. It turns out that crisis can also be an opportunity, as a number of organizations have expanded to provide crisis response.

## **PUBLICATIONS ON THE TOPIC OF THE DISSERTATION**

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